

Canadian Commercial Corporation

Canadians would prefer to remain on a multilateral basis. Today, however, it is beginning to appear that we have not that choice. In Europe there are between 100 and 150 recently concluded bilateral deals, and if we want to trade with Great Britain it appears that we may be forced to trade in the way the British desire. I think we will be shortsighted if we do not keep that fact in mind.

I suggest that today it is not a question whether or not we like bilateral trade agreements. It is a question whether or not, in order to retain the British market, indeed in order to survive economically, we are prepared to adopt that kind of trading if forced to do so by the British. Rightly or wrongly, we of this group believe that in the immediate future there is going to be a good deal more of bilateral trading. Rightly or wrongly, we also believe that this parliament, whether it wants to or not, is going to have to adopt that kind of trading to at least a limited degree.

If we use bilateral trading, a company such as the Canadian Commercial Corporation might prove invaluable. We cannot see, for instance, why the corporation could not take our surpluses of apples in British Columbia and Nova Scotia, and on a state level try to make a barter deal with Great Britain for some product they have. We cannot see why this corporation could not take other agricultural products which may be in surplus supply, and make barter deals with them. In other words, we think the Canadian Commercial Corporation should be expanded, that its staff possibly should be increased, and that its powers should be made more comprehensive. If Canada is going to be forced into bilateral trading, we think that the corporation should be prepared to play some role in it. We support the bill, but we would like to see it extended.

Mr. G. R. Pearkes (Nanaimo): In July, 1947, an amendment was moved to the Canadian Commercial Corporation Act so that provision might be made for purchases to be carried out on behalf of the Department of National Defence through the corporation. At that time I stated that I could appreciate the advantages of having a central purchasing agency for the Department of National Defence. Then I went on to say that I could not understand the reason why the corporation should take over the construction of buildings for the Department of National Defence. At that time the Minister of National Defence said that they were in the housing business in a very large way, and that the Canadian Commercial Corporation was handling the building and construction of a large number of married quarters for

the personnel of the active army and the active navy. I want to stress that in doing so the corporation did not have the facilities to carry out a thorough inspection of the work which was being done, and that the effect was to set up a new department of public works when it would have been very much better if the construction of these houses had been carried out through the Department of Public Works, or by the service personnel themselves.

I have seen press reports that the corporation is to discontinue building houses for the active services. I do not know if that is true, but I hope that it is because for once the government will have taken my advice.

Mr. Howe: If I may interrupt, the Canadian Commercial Corporation has never built anything. It is a purchasing department. We took your advice before you gave it.

Mr. Pearkes: No, not according to the Minister of National Defence. I do not say that these houses were actually built by the corporation, but the contracts were let through it.

Mr. Howe: Yes, but the planning and the supervision were carried out by the armed forces.

Mr. Pearkes: I will quote what the Minister of National Defence said at that time. At page 4958 of *Hansard* of 1947 there is the following:

The Canadian Commercial Corporation was created, not only for the purposes of purchasing for the Department of National Defence, but for the other purposes that parliament or the government might provide for it.

Later at page 4960 he says:

This is a very large housing project involving the conversion or construction of some hundreds of dwelling units this year.

Then there is a reference by the minister on the same page to the fact that a great many men will be employed. He refers definitely to the Canadian Commercial Corporation, and then he says:

There would be presumably about that number in the Department of National Defence if we were not getting the Canadian Commercial Corporation to do that job.

I questioned the policy at that time. I know that I have not made a mistake in saying that it seemed to be the intention then that the contracts for these buildings should be let through the Canadian Commercial Corporation.

Mr. Howe: That is correct. The contracts were placed by the Canadian Commercial Corporation, but all supervision and planning are carried out by the services themselves. We simply act as purchasing agents for placing the contracts.